



**A STUDY OF COLLECTION AND CREDIT POLICY OF RECEIVABLE AT MALAYSIA  
AIRPORT HOLDING BERHAD**

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MELAKA

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**“DECLARATION OF ORIGINAL WORK”**

I, MOHAMAD SAFARIN AKMAL BIN SORKAWI, (I/C Number: 860702436379)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degree.
- This project paper is the result of my independent work and investigation, except where otherwise stated
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **LETTER OF SUBMISSION**

30 October 2009

The Head of Program

Bachelor of Business Administration (Hons) Finance

Faculty of Business Management

Universiti Teknologi MARA

Melaka

Dear Sir,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper Titled "A Study of Collection and Credit Policy of Receivable at Malaysia Airport Holding Berhad" to fulfill the requirement as needed by the faculty of business management, Universiti of Teknologi Mara.

Thank you

Yours sincerely

**Mohamad Safarin Akmal b. Sorkawi**

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## **ABSTRACT**

Today's airport has become an experience business, where the focus is changing from the provision of hardware (infrastructure and facilities) to a new emphasis on software (people, systems, processes and organizational effectiveness passengers). Airport operators must strive to offer passengers a memorable experience that is both unique and enjoyable.

In addition the National Airport Master Plan (NAMP) study has been developed in July 2007 by Malaysia Airports with the support of Ministry of Transport and Ministry of Finance. This study is to set the direction for the future development of airports and aviation infrastructure in the country. The formulation of this master's plan involved all relevant government agencies, MAHB, Malaysia Airlines, AirAsia as well as representatives of foreign airlines. This master plan can be used as a basic for the orderly construction and development of all airports including permanent Low Cost Carriers in Malaysia.

While credit is an essential sales tool in today's competitive environment for increased revenue and profit, credit management is equally an important process to ensure sound sales and maximize cash flow for operations. Cash is the lifeblood of every organisation and managing the account receivables is part of total cash management for both frontline management and finance to ensure availability of cash. Good credit management, with sufficient cash resources can help organisations accomplish almost anything whereby more revenue, more profit and more customers.

So it is important to reviews credit risk management policies in order to make sure it should be consistent with the credit standards, changes in resources, overall financial strength and business conditions. It also to verify the effectiveness of procedures and controls as well as the reliability of information submitted. Furthermore, it is time to providing a framework for efficient cash management and business recovery under weak economic conditions. At the same time, learn on how to undertake basic cash management procedures to strengthen business liquidity and cash flows together to develop preventive action plans.